

<i>SERFF Tracking Number:</i>	<i>NWLC-127392319</i>	<i>State:</i>	<i>District of Columbia</i>
<i>Filing Company:</i>	<i>Nationwide Life Insurance Company</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>	<i>NSHBA 2400 DTL A</i>		
<i>TOI:</i>	<i>H04 Health - Blanket Accident /Sickness</i>	<i>Sub-TOI:</i>	<i>H04.000 Health - Blanket Accident /Sickness</i>
<i>Product Name:</i>	<i>NSHBA 2400 DTL A</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:*	Rate Action Information:	Attachments
	Rate Manual	NSHBA 2400 DTL A	New		Extended Dental Benefit Rider Rate Manual DC.pdf

Nationwide Life Insurance Company
Extended Dental Benefit Rider Rating Manual - NSHBA 2400 DTL A

Table of Contents

Step 1	2
Step 2	2
Step 3	2
Step 4	2
Step 5	2
Step 6	2
Step 7	3
Step 8	3
Step 9	3
Step 10	3
Step 11	4
Step 12	4
Step 13	4
Step 14	4
Step 15	4
Step 16	4
Example 1	5
Example 2	6

Nationwide Life Insurance Company
Extended Dental Benefit Rider Rating Manual - NSHBA 2400 DTL A

Step 1 Starting Claim Cost \$ 4.43

Step 2 Loss Period/Days

Days	Factor
30	0.95
60	1.00
90	1.05

Step 3 Benefit Period

Years	Factor
1	1.00
2	1.02
3	1.04

Step 4 Repair & Replacement

	Factor
Excluded	0.998
Included	1.000

Step 5 Participating in a Covered Activity

Activity	Factor
In School - Football	0.45
In School + Football	0.55
24 hour - Football	0.91
24 hour + Football	1.00

Step 6 Reasonable and Customary

Percentile Adjustment Factor	Percentile	Factor
1	50%	0.89
2	55%	0.91
3	60%	0.93
4	65%	0.95
5	70%	0.98
6	75%	1.00
7	80%	1.02
8	85%	1.04
9	90%	1.05
10	95%	1.06
11	100%	1.09

Nationwide Life Insurance Company
Extended Dental Benefit Rider Rating Manual - NSHBA 2400 DTL A

Step 7 Maximum per Injury

Maximum	Factor
\$1,000	0.86
\$2,500	0.96
\$10,000	1.00
\$50,000+	1.01

Step 8 Maximum per Tooth

Maximum	Factor
\$40	0.83
\$100	0.97
\$250+	1.00

Step 9 Max per Bridge/Denture

Maximum	Factor
\$100	0.97
\$250	1.00
\$500	1.05
None	1.11

Step 10 Deferral Beyond Benefit Period

	Price	Factor
1	None	1.00
2	\$100/30 days	1.01
3	\$600/30 days	1.05
4	\$1000/30 days	1.07

Nationwide Life Insurance Company
Extended Dental Benefit Rider Rating Manual - NSHBA 2400 DTL A

Step 11 Exclusions

Exclusions		Factor
Periodontics	Included	1.00
	Excluded	0.99
Orthodontics	Included	1.75
	Excluded	1.00
Bridges	Included	1.00
	Excluded	0.99
Dentures	Included	1.00
	Excluded	0.99
Biting/Chewing	Included	1.00
	Excluded	0.90
Object in Mouth	Included	1.00
	Excluded	0.90

Step 12 Trend Adjustment

Trend to rate year	Factor
	1.05

Step 13 Underwriting Adjustment

This step allows the underwriter to make overriding rate adjustments.
 If there are issues identified that are, in the underwriter's judgment, likely to alter the underwriting risk, adjustments may be made to the rates.

Step 14 Claim Cost

Calculate the product of Steps 1 through 13

Step 15 Target Loss Ratio

60%

Step 16 Gross Annual Premium

The Claim Cost (Step 14) divided by the Target Loss Ratio (Step 15)

Nationwide Life Insurance Company
Extended Dental Benefit Rider Rating Manual - NSHBA 2400 DTL A

Example 1

Quote Information	
Company Name	ABC 123
Effective Date	1/1/2012
Loss Period	90 Days
Benefit Period	1 Year
Repair and Replacement	Yes
Participating in a Covered Activity	24 Hour - Football
Reasonable & Customary	Yes, 95%
Maximum Per Injury	\$50,000
Maximum Per Tooth	None
Separate Maximum for Bridge/Denture	\$100
Deferral Beyond Benefit Period	Yes, \$600/30 days
Periodontics	Yes
Orthodontics	No
Bridges	Yes
Dentures	Yes
Biting/Chewing	Yes
Object in Mouth	No

Calculation

Step

1 Base Charge	4.43
2 Loss Period/Days	1.05
3 Benfit Period/Years	1.00
4 Repair and Replacement	1.00
5 Participating in a Covered Activity	0.91
6 Reasonable & Customary	1.06
7 Maximum per Injury	1.01
8 Maximum per Tooth	1.00
9 Separate Max for Bridge/Dentures	0.97
10 Deferral beyond Benefit Period	1.05
11 Exclusions	
Periodontics	1.00
Orthodontics	1.00
Bridges	1.00
Dentures	1.00
Biting/Chewing	1.00
Object in Mouth	0.90
12 Trend Adjustment	1.05
13 Underwriting Adjustment	1.00
14 Claim Cost	4.36

15 Target Loss Ratio
16 Gross Annual Premium

	60%
\$	7.27

Nationwide Life Insurance Company
Extended Dental Benefit Rider Rating Manual - NSHBA 2400 DTL A

Example 2

Quote Information	
Company Name	XYZ
Effective Date	1/1/2012
Loss Period	30 days
Benefit Period	2 Years
Repair and Replacement	No
Participating in a Covered Activity	In School + Football
Reasonable & Customary	Yes, 85%
Maximum Per Injury	\$10,000
Maximum Per Tooth	\$100
Separate Maximum for Bridge/Denture	\$500
Deferral Beyond Benefit Period	None
Periodontics	No
Orthodontics	Yes
Bridges	No
Dentures	No
Biting/Chewing	No
Object in Mouth	Yes

Calculation

Step

1 Base Charge	4.43
2 Loss Period/Days	0.95
3 Benfit Period/Years	1.02
4 Repair and Replacement	0.998
5 Participating in a Covered Activity	0.55
6 Reasonable & Customary	1.04
7 Maximum per Injury	1.00
8 Maximum per Tooth	0.97
9 Separate Max for Bridge/Dentures	1.05
10 Deferral beyond Benefit Period	1.00
11 Exclusions	
Periodontics	0.99
Orthodontics	1.75
Bridges	0.99
Dentures	0.99
Biting/Chewing	0.90
Object in Mouth	1.00
12 Trend Adjustment	1.05
13 Underwriting Adjustment	1.00
14 Claim Cost	4.00

15 Target Loss Ratio
16 Gross Annual Premium

	60%
\$	6.67

SERFF Tracking Number: NWLC-127392319 State: District of Columbia
Filing Company: Nationwide Life Insurance Company State Tracking Number:
Company Tracking Number: NSHBA 2400 DTL A
TOI: H04 Health - Blanket Accident /Sickness Sub-TOI: H04.000 Health - Blanket Accident /Sickness
Product Name: NSHBA 2400 DTL A
Project Name/Number: /

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Actuarial Justification Comments: Attachment: Extended Dental Benefit Rider Actuarial Mem.pdf		

	Item Status:	Status Date:
Satisfied - Item: Response Letter Comments: Attachment: Response Jan 4, 2012.pdf		

NATIONWIDE LIFE INSURANCE COMPANY

Actuarial Memorandum

Extended Dental Benefit Rider

NSHBA 2400 DTL A

Table of Contents	Page
Section A – Summary	2
Section B – Rating Period	2
Section C – Underwriting	2
Section D – Effect of Law Changes	2
Section E – Rate History	2
Section F – Coordination of Benefits	2
Section G – Relation of Benefits to Premium	3
Section H – Lifetime Loss Ratio	3
Section I – Provision for Profit and Contingencies	3
Section J – Explanation as to How the Proposed Rates were Determined	3
Section K – Trend	3
Section L – Credibility	3
Section M – Data Requirements	3
Section N – Side-by-Side Comparison	3
Section O – Loss Ratio Projections	3
Section P – Other Factors	4
Section Q – Renewability	4
Section R – Applicability	4
Section S – Morbidity	4
Section T – Persistency	4
Section U – Issue age Range	4
Section V – Area Factors	4
Section W – Premium Mode Rules	4
Section X – Claim Liability and Reserves	5
Section Y – Active Life Reserves	5
Section Z – Distribution of Business	5
Section AA – Number of Policyholders	5
Section BB – Proposed Effective Date	5
Section CC – Actuarial Certification	5

A. SummaryScope and Purpose

The purpose of this actuarial memorandum is to describe the benefits and assumptions for the attached Extended Dental Benefit Rider, and to certify that this Form is in compliance with applicable laws and regulations. This is a new filing. This memorandum is not intended to be used for any other purpose.

Nationwide Life Insurance Company has engaged Actuarial Worksite Marketing Services (AWMS), an actuarial consulting firm, to develop premium rates for this filing.

Marketing Method

This product will be marketed to eligible groups through managing general underwriters ("MGUs").

Premium Classifications

Premiums will vary based on factors such as plan design and benefit level. Premiums do not vary based on age.

Benefit Description

This rider is designed to provide insurance benefits for dental treatment resulting from accidental injury.

B. Rating Period

The rating period will vary based on the needs of the group seeking coverage. Rates can be expressed between 1 and 365 days.

C. Underwriting

There will be no individual underwriting of this rider; It is guarantee issued.

D. Effect of Law Changes

N/A – this is a new policy form

E. Rate History

N/A – this is a new policy form

F. Coordination of Benefits

N/A – this is a new policy form

G. Relation of Benefits to Premium

Expense assumptions were developed for the following major expense components;

- a) Administration
- b) Home Office Expenses
- c) Premium Tax
- d) Risk Charge

Expense assumptions are expected to be reasonable in the aggregate to actual expenses incurred. The anticipated loss ratio is 60%

H. Lifetime Loss Ratio

The policy is expected to generate a lifetime loss ratio that will meet or exceed 60%.

I. Provision for Profit and Contingencies

This form includes a contingency and risk charge of 5%.

J. Explanation as to How the Proposed Rates were Determined

The rates were determined by an actuarial consultant as described in section S. Morbidity.

K. Trend

The current annual trend is 5.0%.

Source: proprietary database provided by Actuarial Worksite Marketing Services, Inc., an actuarial consulting company, factors updated periodically. If sufficient claim payment data is available to determine the actual past trend history, then a trend factor based on that history may be used either solely, or in combination with the above factor depending on the credibility of the data.

L. Credibility

N/A – this is a new policy form. There is no experience on our current block.

M. Data Requirements

N/A – this is a new policy form

N. Side-by-Side Comparison

N/A – this is a new policy form

O. Loss Ratio Projections

N/A – this is a new policy form

P. Other Factors

N/A

Q. Renewability

This rider is optionally renewable.

R. Applicability

This form will be used for new issues following approval.

S. Morbidity

The utilization and demographic assumptions used in developing the premium rates are based on a proprietary database provided by Actuarial Worksite Marketing Services, Inc., an actuarial consulting company. In addition, confidential non-network reimbursement data are used for the basis of reimbursing Covered Expenses. The resulting rate basis is used to price the dental product nationally and covers the plan designs and features expected to be encountered on the large majority of cases. On occasion, an underwriter or actuary may need to interpolate a manual rate to meet a special need of a policyholder. The benefits and premiums underlying this data are similar to the benefits and premiums for this Form.

T. Persistency

No persistency rate assumption was used.

U. Issue Age Range

There is no age limit on members who meet eligibility requirements.

V. Area Factors

Rates do not vary by geographic area.

W. Premium Mode Rules

Because of the nature of this product, premium mode is very flexible. Premiums can be paid as frequently as daily and often depend on the duration of the covered activity. They can be paid in advance or in arrear of the covered activity. There is no adjustment for interest for different premium modes.

X. Claim Liability and Reserves

Incurred but not Reported Reserves (IBNR) are calculated using completion factor methodology by reviewing historical paid and incurred claim payment patterns. IBNR Reserves are calculated at a block level and held for groupings of similar risks.

Unearned Premium Reserves are held on a seriatim basis for premium that has been paid for the portion of the coverage period subsequent to the valuation date.

Y. Active Life Reserves

No active Life reserves are held for this policy.

Z. Distribution of Business

There is currently no anticipation of a specific distribution of business.

AA. Number of Policyholders

This is a new rider; there are no existing policyholders.

BB. Proposed Effective Date

The rates, rating factors and rating methods will be used upon state approval.

CC. Actuarial Certification

I believe that the benefits under this policy are reasonable in relation to the premiums charged and in my opinion the premiums are not excessive, inadequate or unfairly discriminatory. To the best of my knowledge and judgment, this rate filing is in compliance with the applicable state insurance laws and regulations.



Donald Schley, FSA, MAAA
Actuary
Nationwide Life Insurance Company
August 29, 2011

Nationwide Life Insurance Company

To the DC Department of Insurance

Blanket Accident Policy
NSHBA 2400 DTL A

SERFF Tracking NWLC-127392319

January 17, 2012

Dear Efren Tanhehco:

Thank you for your inquiry letter dated January 04, 2012. I look forward to answering your questions. For your convenience, I have repeated your comments below in italics.

Objection 1

- *Rate Manual , [NSHBA 2400 DTL A] (Rate)*

Comment: In the Rate Manual submitted, only the Table of Contents is visible. Please supply the complete manual.

We apologize for the error and have attached the complete rate manual.

Objection 2

- *Actuarial Justification (Supporting Document)*

Comment: Please supply the detailed itemized components of the Total Retention Expenses.

Our proposed retention is as follows:

a) Administration	10%
b) Home Office Expenses	8%
c) Commissions	15%
d) Premium Tax	2%
e) Contingency and Risk Charge	<u>5%</u>
f) Total Retention	40%

Objection 3

Please illustrate / calculate a couple of sample calculations (under different scenarios) of the Gross Premium Rates.

The sample calculations of the Gross Premium Rates are included on pages 5 and 6 of the rate manual.

Objection 4

Please provide the actual sources of the Morbidity Rates and the Reimbursement Schedule --->> the fact that a consulting firm was retained to develop the rates is too general a statement for the insurance department to accept.

1. Utilization rates (morbidity rates): The utilization rates are derived from a database, proprietary to AWMS, which is based on approximately \$200,000,000 of dental claims incurred in 2009-2010 combined from the experience of multiple dental carriers. The actual utilization rates by procedure code can be provided to the Department of Insurance, if the Department will provide a document guaranteeing that they will protect the confidentiality of the data.
2. Reimbursement schedule: The Policy Form does not contain an explicit reimbursement schedule, but rather the Policy pays based on the amount of each charge submitted. For purposes of pricing, the expected average charge submitted for each procedure was estimated using the AWMS proprietary database. The Policy does include the option to limit reimbursements to a Reasonable and Customary amount. This Reasonable and Customary amount is determined based on a database provided by Context 4 Healthcare.

Objection 5

Please supply all the Adjustment Factors (values, justifications and definitions) used in the derivation of the Gross Premiums.

The adjustment factors are included in pages 2-4 of the rate manual.

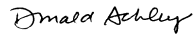
Objection 6

Under what 'Blanket' Group Market is this new product going to be marketed to?

This is a new product that will be marketed to groups of sports, leisure and entertainment. This would consist of such groups as little league sports teams, overnight camps, and motorsports. When purchased, all participants in a covered activity will have coverage during their covered activity.

Thank you for the opportunity to submit our proposed blanket accident policy rating. I hope that I have addressed your concerns.

Sincerely,



Donald A. Schley, FSA, MAAA
Actuary
Nationwide Life Insurance Company

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Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/30/2011	Rate and Rule	Rate Manual	01/17/2012	Extended Dental Benefit Rider Rate Manual.pdf (Superseded)

Nationwide Life Insurance Company
Extended Dental Benefit Rider Rating Manual - NSHBA 2400 DTL A

Table of Contents

Step 1	2
Step 2	2
Step 3	2
Step 4	2
Step 5	2
Step 6	2
Step 7	3
Step 8	3
Step 9	3
Step 10	3
Step 11	4
Step 12	4
Step 13	4
Step 14	4
Step 15	4
Step 16	4
Example	5